

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

MOSAID TECHNOLOGIES INC.,

Plaintiff,

v.

MICRON TECHNOLOGY, INC.,
POWERCHIP SEMICONDUCTOR
CORPORATION,

Defendants.

Case No. 2:06cv302-DF

**EMERGENCY MOTION TO STAY PENDING RESOLUTION
OF MICRON'S MOTION TO DISMISS AND TRANSFER PURSUANT TO THE
FEDERAL CIRCUIT'S FEBRUARY 29, 2008 RULING**

I. INTRODUCTION

Micron respectfully moves for a short stay of this case while the parties and the Court address a ruling issued by the Federal Circuit last Friday, February 29, 2008. (Ex. 1, 2/29/08 Order.) In its ruling, the Federal Circuit reversed the dismissal of Micron's declaratory judgment action in the Northern District of California. Eight of the patents-in-suit in the California action are identical to the ones in this action. The claims on the remaining four patents in this action raise substantially similar issues to those now proceeding in the Northern District of California and involve substantially the same accused products, fact witnesses, experts, and technology. In view of the Federal Circuit's holding, Micron files concurrently with this motion to stay, a motion dismiss and transfer the patents in this action.

The parties and the Court are poised to expend significant resources during the next days and weeks on numerous matters currently in progress. Two briefing deadlines and three depositions are scheduled in connection with claim construction proceedings, along with a tutorial and the claim construction hearing itself on April 15. Additionally, multiple discovery disputes are currently being briefed by the parties, along with a motion for collateral estoppel. The Federal Circuit has just ruled that the Northern District of California has jurisdiction over eight of the twelve patents-in-suit in this litigation. A stay will ensure that the Court and the parties will not expend unnecessary resources while the pending procedural motions are resolved. Accordingly, Micron respectfully requests that this litigation be stayed for a short period of time pending resolution of Micron's motion.

II. BACKGROUND

On July 24, 2006, Micron filed a declaratory judgment action against MOSAID in the Northern District of California. (Ex. 2, 7/24/06 NDCA Complaint.) The next day, on July 25, 2006, MOSAID sued Micron in this Court. (Docket No. 1.) After considering motions to

dismiss and to transfer brought by MOSAID, the Northern District of California dismissed Micron's case on October 23, 2006. (Ex. 3, 10/23/06 Order Dismissing Case.) Micron subsequently appealed this decision to the Federal Circuit. (Ex. 4, 2/9/07 Micron's Appeal Brief.)

On April 27, 2007, Micron moved this Court for a stay of litigation pending appeal on April 27, 2007. (Docket No. 92.) Although this motion was not granted, the Court noted that its decision was made "WITHOUT PREJUDICE TO REFILEING following a decision in the case currently pending before the Federal Circuit." (Docket No. 98) (emphasis in original).

The Federal Circuit has now issued its opinion, holding that Micron's first-filed Northern District of California action must be re-instated. (Ex. 1, 2/29/08 Order from Appellate Court at 13.) The Federal Circuit noted that "the jurisdiction of the first filed declaratory judgment action appears to be the more convenient forum for both parties." *Id.* On this basis, the Federal Circuit held that "[a]pplying the relevant convenience factors, it would be an abuse of discretion to transfer the action" out of the Northern District of California. *Id.*

In view of this ruling, Micron brings the present motion to stay.

III. ARGUMENT

"The stay of a pending matter is ordinarily within the trial court's wide discretion to control the course of litigation, which includes authority to control the scope and pace of discovery." *In re Ramu Corp.*, 903 F.2d 312, 318 (5th Cir. 1990). A stay is appropriate here in view of the Federal Circuit's ruling. Staying this case for a short time while the impact of the Federal Circuit's ruling is addressed will avoid wasting Court and party resources on numerous matters currently in progress in this case.

The Federal Circuit's February 29, 2008 opinion held that eight of the patents-in-suit in the present litigation will be litigated in the Northern District of California. After first

concluding that the Northern District of California had erred in dismissing Micron's action, the Federal Circuit proceeded to analyze the appropriate forum for this litigation. (Ex. 1, 2/29/08 Order from Appellate Court at 13.) Based upon its analysis of the convenience factors under 28 U.S.C. § 1404, the Federal Circuit concluded that "the jurisdiction of the first filed declaratory judgment action appears to be the more convenient forum for both parties." *Id.* The Federal Circuit further held that "[a]pplying the relevant convenience factors, it would be an abuse of discretion to transfer the action" out of the Northern District of California. *Id.*

In view of the Federal Circuit's ruling, Micron has concurrently filed a motion to dismiss MOSAID's claims in this Court with respect to the eight patents that will be litigated in California. *See, e.g., West Gulf Maritime Assn'c v. ILA Deep Sea Local 24, et al.*, 751 F.2d 721, 729 (5th Cir. 1985) ("a district court may dismiss an action where the issues presented can be resolved in an earlier-filed action pending in another district court"). Micron also moves to transfer the remaining four patents-in-suit. As explained further in the motion to dismiss, this is appropriate because the two litigations are substantially related, and because the Federal Circuit has decided that the dispute between Micron and MOSAID should go forward in the Northern District of California.

Given the clear directive of the Federal Circuit that the Northern District of California is the district court that should preside over this dispute, resolution of Micron's motion to dismiss and transfer will impact this Court's involvement in a number of the matters that will soon require significant efforts by the Court and parties. In connection with the claim construction proceedings currently in progress, Defendants are scheduled to take the depositions of two MOSAID expert declarants on March 5th and 6th. In addition, MOSAID's response to Defendants' motion for collateral estoppel relating to claim construction is due on March 10,

2008. Defendants' responsive claim construction brief is due on March 17. MOSAID is scheduled to depose Defendants' expert on March 21 and to file its reply brief on March 27. The Court has set a tutorial on April 14, 2008. All of this work is being conducted in preparation for the Court's April 15, 2008 *Markman* hearing. This hearing is to cover twelve patents, eight of which the Federal Circuit has determined are at issue in the litigation in the Northern District of California. Three of the four remaining patents are related as continuations to those patents, and therefore have identical specifications, and raise the same or similar claim construction issues. Additionally, the collateral estoppel briefing will be affected by the differences in law between the two jurisdictions. Accordingly, the efforts directed toward the currently scheduled *Markman* hearing in this Court are impacted by the Federal Circuit's decision.

The parties are also presently engaged in briefing numerous discovery disputes. On February 14, 2008, Micron filed a motion to compel 30(b)(6) testimony relating to the claim construction proceedings. (Docket No. 276.) MOSAID's response to this motion was due on February 29, 2008 and Micron's reply is due on March 4, 2008. Micron also filed a motion on February 28, 2008 to compel discovery relating to MOSAID's licensing negotiations. (Docket No. 290.) MOSAID's response to this motion is due on March 11, 2008. On March 14, 2008, Defendants' response to MOSAID's motion for costs and fees is due. Additionally, on February 20, 2008, MOSAID filed a motion seeking an order of contempt with respect to documents that it contends should be produced by Micron. (Docket No. 280.) Micron's response to this motion is due March 7, 2008. Each of these disputes will likely require significant Court and party resources over the next several weeks. But all of is also impacted by the Court's determination with respect to Micron's motions to dismiss and transfer.

In summary, absent a stay of this litigation, significant Court and party resources may unnecessarily be expended. In contrast, staying this case for a short period of time pending resolution of Micron's motion will ensure that Court and party resources are conserved.

IV. CONCLUSION

For the foregoing reasons, Micron respectfully requests that the Court stay this litigation pending resolution of Micron's motion to dismiss and transfer.

DATED: March 3, 2008

Respectfully submitted,

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3) on March 3, 2008.

/s/ Kimberly A. Schmitt

CERTIFICATE OF CONFERENCE

The undersigned hereby certifies that counsel for Micron and Powerchip and counsel for MOSAID conferred telephonically on February 29, 2008 in an effort to resolve their disputes. The parties were unable to resolve the issues raised by this motion and this motion is opposed by MOSAID.

/s/ Kimberly Schmitt